

BYLAW OF TURKISH ENTERPRISE AND BUSINESS CONFEDERATION

Article 1 : TRADE NAME AND REGISTERED PRINCIPAL OFFICE OF THE CONFEDERATION

Trade name of the confederation is “Türk* Girişim ve İş Dünyası Konfederasyonu”. Its registered principal office is located in Istanbul.

Its trade name is abbreviated as “TURKONFED”. Trade name in English is “Turkish Enterprise and Business Confederation”. The following emblem of the Confederation (*which consists of trade name of the Confederation both in Turkish and English as specified in the Corporate Identity Guide together with the areas of use and technical specifications*) is registered in the name of the Confederation, and may not be distributed or sold to any person other than the members and may not be used out of purpose without consent of the Board of Directors.

TURKONFED

TÜRK GİRİŞİM VE
İŞ DÜNYASI KONFEDERASYONU

TURKISH ENTERPRISE AND
BUSINESS CONFEDERATION

Article 2 : OBJECTIVE OF THE CONFEDERATION

The objective of the Confederation is to become the common voice of the regional and sectoral industrialist and business federations that operate within borders of Turkey and have a common objective, principle and targets, thus contributing to establishment of regional, industry-specific and national economy policies, and to develop regional and industry-specific development visions and help improvement of international integration and competitive power, develop projects, ensure union of forces among its members for announcement of the problems of the business world and the solution offers to the public and competent authorities and thereby establish a joint working platform.

In order to contribute to the economic and social development of our country, to take actions for utilization of regional and industry-specific potentials to the maximum extent based on the vision of the Republic of Turkey and the contemporary civilization goal developed by Atatürk, take attempts for institutionalization of non-governmental organizations and spreading of private enterprise system by adopting a democratic, secular constitutional state approach, deal with the problems of the industrialists and business people and establish a strong organization that represents a large mass in an independent platform with an aim to improve the qualifications of leaders and entrepreneurs in society.

Article 3 : FIELDS OF ACTIVITY OF THE CONFEDERATION

In line with its objective, the Confederation;

1. contributes to the development of legal, institutional and social infrastructure of the market economy and to the steady growth of the national economy;
2. makes attempts for development of ethic values in the business world and performance of activities with the social responsibility awareness;
3. closely follows the technological developments all around the world, and take efforts for and provide assistance to increase of the research and development activities in the business world as well as achievement of a level where technology is developed and exported;
4. carries out activities for the business world to achieve a prominent and permanent place globally;
5. takes necessary initiatives for development and implementation of policies that will pave the way for investments, production, trade and employment, and performs guiding works;
6. makes efforts for effective use of the resources as well as raising a quality, productivity and environmental protection approach in society;
7. provides assistance to performance of the training and education activities based on the policies that conform to the contemporary criteria and economic requirements;
8. encourages efforts to improve social infrastructure and disadvantaged groups;
9. makes cooperation with the universities and scientific research organizations;
10. makes efforts for spreading the spirit of entrepreneurship in society;
11. makes efforts to remove regional development differences and ensure a balanced development;
12. takes actions required for raising a social consensus awareness, and ensuring working of the workers and employers in cooperation and accord focused on national development;
13. pays attention to international relations, exchanges experiences and makes cooperation at a corporate, industry-specific, national and international scale, and creates joint venture opportunities;

* performs international activities under the license of the Ministry of Interior Department of Associations dated 31.03.2005 and numbered 1294/00475;

14. may become a direct member of any foreign based federation, confederation or organization or be represented in such federations, confederations and organization through a member federation of it or an affiliated association;
15. contributes to supporting human resources and natural resources with technological innovations and thereby utilization of them most effectively as well as formation of policies aimed at development of the competitive power by creating an environment that will maintain a continuous productivity and quality improvement;
16. develops opinions and proposals, and express them to the necessary authorities and the public, and creates a union of beliefs and acts in line with its objective;
17. may establish any real right, servitude, rental, preemptive right and such rights including disposition or mortgage over real estate, cancel or remove the same; and record such real estate as revenue in the name of the Confederation provided that it does not divide the income obtained among its members and only uses it for its own purposes, may participate in the joint partnerships and establish commercial enterprise and foundations upon decision of the General Assembly with an aim to gain income and serve as a model and act as a pioneer or leader.
18. organizes all kinds of events such as scientific, social, cultural, technical meetings and tours; conducts research, examination and studies;
19. receives and grants aid and donations; may accept conditional and unconditional wills.

Article 4 : CONDITIONS OF MEMBERSHIP AND ADMISSION

The Confederation consists of the federations established by the regional and industry-specific industry and business associations that assume all the responsibility required by membership, benefit from the membership rights and are obliged to comply with the bylaw and regulations of the Confederation.

Any federation to apply for membership to the Confederation is required to;

1. have the same purpose of incorporation as the other member federations of the Confederation,
2. be capable of paying the membership and contribution fees that are basis of the Confederation's income,
3. not to be subject of a decision of termination or any attempt for termination, to maintain its purpose of incorporation and still fulfill the relevant requirements, not to have become insolvent, considered to have been dissolved automatically or be in liquidation,
4. have committed to comply with and ensure compliance by the delegates appointed to represent the Confederation with the bylaw of TURKONFED, the Principles of Business Ethics and Conduct of the Turkish Enterprise and Business Confederation as well as its regulations, provisions of internal directive and its protocols.

Article 5 : FOUNDING MEMBERS

The Confederation has been incorporated by the following federations.

1. The Federation of Western Anatolia Industrialists' and Businessmen's Associations (BASIFED) with registered office at İzmir,
2. The Federation of Eastern Mediterranean Industrialists' and Businessmen's Associations (DASIFED) with registered office at Mersin,
3. The Federation of Eastern and Southeastern Anatolia Industrialists' and Businessmen's Associations (DOGUNSIFED) with registered office at Diyarbakır,
4. The Federation of Central Anatolia Industrialists' and Businessmen's Associations (ICASIFED) with registered office at Ankara,
5. The Federation of Marmara and Northern Anatolia Industrialists' and Businessmen's Associations (MAKSIFED) with registered office at Bursa,
6. The Federation of Industrial Associations

(SEDEFED) with registered office at Istanbul.

Article 6 : PRINCIPLES ON ADMISSION TO MEMBERSHIP

In order for becoming a member, the federations who file an application for membership are required to abide by the following principles. Accordingly, the federations who are willing to become a member of the Confederation are required to;

1. have grasped the importance of private sector-based industrialization and entrepreneurship for development of Turkey,
2. have a belief that the obstacles to the development of the country can only be overcome through well-established and scientific-based reforms,
3. believe in the contemporary civilization goal, and a secular, democratic constitutional state respecting human rights as well as the virtue of the market economy,
4. behave in a manner observing the social responsibilities and ethical values of the business world,
5. share a belief that the rapid development of our country can only be achieved by benefiting from the regional and industry-specific potential and the human capital to the maximum extent, and take efforts in this respect,
6. consider membership in the European Union as an important step of contemporary, economic and social development,
7. certainly avoid any acts of political, regional, ethnic-based, religious and sexual discrimination,
8. have taken the initiative in international/regional/local development with its efforts for both the region it bears the name of and the industry determined as its field of activity,
9. with its membership structure, be able to represent the economic power of the region it bears the name of and the industry determined as its field of activity.
10. In order to prevent any regional and industrial overlapping and maximize the representation power, the membership admission procedures of the regional and industrial federations applying to become a member of the Confederation shall be based on the Nomenclature of Territorial Units for Statistics (NUTS) Level 2 as a regional criterion and on the Classification of Economic Activities in the European Community (NACE) Level 3 (Three Digit level) as industrial criterion.

Article 7 : MEMBERSHIP PROCEDURES

In order to become a member of the Confederation, the industrial and business federations that operate within borders of Turkey or operate outside the borders of Turkey but have acquired any necessary legal permits and fulfill the requirements of article 4, are of regional and industry-specific nature and have a common purpose of incorporation take decisions in the meetings of their own general assembly and then file a written application by filling in the "Membership Application Form" stating that they accept the objectives and fields of activity as well as the provisions of the bylaw and the regulations of the Confederation and will fulfill the membership requirements. Processing of the application for membership of the candidate federation is conditional upon a proposal by minimum one member federation. The Board of Directors shall resolve the application, within at the latest 30 days, with a decision for admission to membership or rejection, and announce the result to the candidate federation in writing.

Upon admission of the candidate federation as a member of the Confederation, the registration procedures are performed. Unless the admission fee is paid, the right of membership of the Confederation is not granted. Unless it is regulated otherwise in this bylaw and the applicable laws, the member federations shall have equal rights. Regarding the exclusively owned equal rights, the number of members of the member federations of the Confederation and the number of delegates to represent the federation in the meetings of General Assembly of the Confederation are not sought.

Any Federations that meet the principle criteria adopted for admission as a member, but are not considered to "fully represent the economic power of the region it bears the name of and the industry determined as the field of activity with respect to its membership structure" as stipulated in article 6/9, and that have potential to become a permanent member of our Confederation shall be invited by the Board of Directors to and may attend the activities of the Confederation for observation purposes for 1 year. However, they may not exercise the rights arising from the bylaw of the permanent members and may not fulfill their obligations.

Article 8 : RESIGNATION FROM MEMBERSHIP

The status of member of Confederation is lost in two manners: resignation from membership or termination of membership. No member federation may be forced to maintain its membership in the Confederation. Every member federation has the right to resign from the Confederation by sending a written notice. The member federations that resign from membership of the Confederation or whose memberships are terminated shall be obliged to pay the

accumulated debts for the term of membership.

In addition to the provisions of the legislation, the membership of any member confederation shall be terminated when they

1. are not represented in the activities and meetings without excuse, do not fulfill the duties assigned, abstain from assuming duties, and are not interested in and acts in contradiction with the existence, objective and lines of business of the Confederation;
2. do not have the necessary qualifications to become a member of the Confederation anymore and act contrary to the provisions of the Bylaw of the Confederation, Principles of Business Ethics and Conduct of Turkish Enterprise and Business Confederation, regulations of the Confederation as well as the decisions of the General Assembly and Board of Directors.

In such cases, the membership of the member federation may be terminated upon proposal of the High Board of Discipline and decision of the General Assembly. This decision shall be notified to the member federation in writing together with justification. The federation reserves its right of objection to such decision within one month. If objected, the decision shall be re-examined by the deciding board. If the High Board of Discipline insists on its initial decision, this situation shall again be notified to the relevant federation in writing.

The membership of any member federation who fails to pay its fees for one year within six months following the end of that year shall be terminated upon decision of the General Assembly. However, before termination, it is required to wait for two months following service of the registered letter requesting payment of the annual fee by the member.

The federation whose membership is terminated has right to file its objection to the notified decision with the General Assembly through the Board of Directors of the Confederation within one month following the notification date. Such objection shall be discussed and resolved in the next meeting of General Assembly. Until the objection is resolved, the rights and obligations of the federation shall survive. In case the member federation does not object in due time or the objection is rejected by the General Assembly, the Board of Directors of the Confederation cancels registration of the member. In case any federation which resigns or whose membership is terminated fails to pay its membership fees payable, the Confederation shall take legal remedies.

Article 9 : BODIES OF THE CONFEDERATION

The bodies of the Confederation are as follows:

1. General Assembly
2. Board of Directors
3. Turkish Enterprise and Business Council
4. High Advisory Board
5. Executive Board
6. Board of Auditors
7. High Board of Discipline
8. General Secretariat

Article 10 : GENERAL ASSEMBLY

A. Duties and Authorities of the General Assembly

The General assembly is the highest decision making body in the Federation, and its duties and authorities are listed hereunder.

1. To take necessary decisions in line with the laws and provisions of the bylaw of the Confederation, and approve regulations,
2. Discuss and resolve on the work schedule of the period as well as the annual budgets, income and expense statements,
3. If necessary, re-determine the numbers of full and substitute members of the board of directors separately before election, and elect the bodies of the Confederation for each operating period,
4. Discuss and approve the activity report of the board of directors for the previous operating period as well as the balance-sheet, income and expense statements, audit report of the board of auditors, release the members of the board of directors and the auditing board,

5. Discuss and resolve on the proposals of the Board of Directors related to the amendment to the Bylaw of the Confederation,
6. Decide on admission to or termination of membership to the Confederation, and finalize the objections,
7. Grant authority to the Board of Directors for purchase and selling of the properties of the Confederation,
8. Decide on participation of the Confederation into the joint partnerships or establishment of commercial enterprises and foundations,
9. Decide on participation of the Confederation into the national and international organizations, and when necessary transfer such authority to the Board of Directors,
10. Decide on termination of the Confederation and liquidation of its assets,
11. Audit the bodies of the Confederation, and when deemed necessary, discharge them,
12. Perform the works that were not assigned to another body of the Confederation, and decide on other necessary issues,

B. Determine under regulations any duties, authorities, responsibilities and obligations of the members of Board of Directors and the members for improvement of the Confederation both in material and moral terms. Ordinary and Extraordinary Meetings of the General Assembly

1. About the Ordinary Meeting of the General Assembly;

1.1. The General Assembly consists of the delegates to be nominated by the member federations as well as the members of the Board of Directors and the Board of Auditors. The ordinary meeting of General Assembly of the Confederation is held in March once every three years. This meeting may not be postponed more than once. Failure to hold two successive ordinary meetings of General Assembly constitutes cause for termination automatically. Besides, the Confederation holds an intermediate Financial meeting of the General Assembly at any time it may deem proper between two ordinary meetings of the general assembly to discuss the budget of the association and share the balance-sheets with the members, and invites the members to attend.

1.2. The General Assembly shall be called to convene by the Board of Directors.

2. About the extraordinary meetings of General Assembly;

2.1. The General Assembly shall be called to convene on extraordinary basis when deemed necessary by the Board of Directors or the Board of Auditors or upon written request of one fifth of the delegates of the Confederation again by the Board of Directors. If the Board of Directors does not call the General Assembly to convene within one month; the magistrate shall appoint three delegates of the Confederation to call the General Assembly to convene upon the application of one of the federations. It shall be held in accordance with the procedures and principles of an ordinary meeting of General Assembly. However, no proposal may be submitted for addition of an agenda item during the Extraordinary meeting of General Assembly.

2.2. The decisions made with written participation of all of the members without coming together, and the decisions made, breaching the meeting call method, in the meetings where the entire members of the Confederation are present shall be valid. Taking a decision in this manner shall not substitute an ordinary meeting.

3. Intermediate Financial Meeting of the General Assembly

Besides, the Confederation holds an intermediate Financial meeting of the General Assembly at any time it may deem proper between two ordinary meetings of general assembly to discuss the budget of the association and share the balance-sheets with the members, and invites the members to attend.

C. Organization of the General Assembly

The General Assembly consists of the delegates who are representatives of the member federations. Upon resignation of the federation from the Confederation (or when the association which the delegate is member of resigns from the federation), the representative capacity and thus the position in the Confederation of the delegate shall automatically expire. If any permanent member of the Board of Directors resigns for any reason whatsoever, the substitute members shall be called for duty. The number of delegates to be assigned to the General Assembly by each federation shall be determined depending on the number of members of the associations which are members of the federation.

1. In the General Assembly; the federations whose member associations have a total of 1,000 or below 1,000 members shall be represented with 12 delegates,
2. the federations whose member associations have a total of 1,001 to below 2,000 members shall be represented with 18 delegates,
3. the federations whose member associations have a total of 2,001 to below 3,000 members shall be represented

with 24 delegates,

4. and the federations whose member associations have a total of 3,001 and above members shall be represented with 30 delegates.

D. General Assembly Call and Meeting Method

1. The Board of Directors of the Confederation shall issue the chart of member federations and delegates that have right to attend the meeting of General Assembly. A warning shall be sent to the debtor members requesting payment of the dues. The delegates of a member federation that failed to pay its accumulated debts as of the end of the previous calendar year may not attend the meeting of General Assembly, and may not have right to elect or be elected.
2. The member federation to attend the meeting of General Assembly shall be called for meeting at least fifteen days in advance by notifying, in writing or via electronic mail, the date, time, place and agenda of both the meeting to be held and any second meeting to be held if the meeting quorum is not present in such meeting. The interval between the first and second meeting shall not be less than seven days or more than sixty days.
3. Meeting Quorum: The General Assembly shall convene with the attendance of the absolute majority of the delegates who are entitled to participate, and of two thirds of the delegates in case of amendment to the bylaw and termination of the Confederation; and if the meeting is postponed due to failure to meet the quorum, no meeting quorum shall be sought in the second meeting. However, the number of members attending this meeting shall not be less than two times the total number of the members of the Board of Directors and the Board of Auditors. A General Assembly meeting may not be postponed more than once.
4. The delegates of the member federations to attend the meeting of General Assembly sign next to their names in the "Chart of Members of General Assembly" issued by the Board of Directors and attend the Meeting of General Assembly. According to the chart signed, the number of delegates attending the General Assembly meeting as well as the meeting and decision quorums shall be recorded in minutes.
5. If the necessary quorum is present, the General Assembly meeting is opened by the Chairperson of Board of Directors or a member of Board of Directors to be appointed by the Chairperson, and a meeting council is established to manage the General Assembly meeting by electing a chairperson, vice chairperson and clerk among from the attending delegates.
6. Only the items which are included in the agenda shall be discussed at the General Assembly meeting. However, if at least one tenth of the delegates attending the meeting request discussion of an issue in writing, that issue is required to be included in the agenda.
7. The delegates who are granted the right of attending the General Assembly meeting shall have one voting right and are obliged to cast such vote in person. Voting by proxy is not allowed. No delegate is allowed to cast votes related to the decisions on any legal proceeding or dispute between the Federation represented and the Confederation.

Article 11 : BOARD OF DIRECTORS

A. Duties and Authorities of the Board of Directors

1. To enforce the decisions of the General Assembly, and take decisions on the issues not requiring a decision of General Assembly in line with the laws and the provisions of the Bylaw of the Confederation, and enforce such decisions;
2. Represent the Confederation, and when necessary, transfer such representation authority to a member or third party;
3. Issue the activity report, balance-sheet, income and expense statements for the previous period;
4. Issue the working schedule of the new operating period as well as the annual budget, income and expense statements, and implement them upon approval of the General Assembly;
5. Refer to the High Board of Discipline any member federations which do not have the necessary qualification and fail to fulfill the requirements of membership anymore, have deviated from the objective and the lines of business, act in contradiction with the provisions of the bylaw of the Confederation and the decisions of General Assembly, speaks or acts in breach;
6. Determine the date, time, venue and agenda of the General Assembly meetings, and announce the same to the members and legal authorities;
7. Submit proposal to the General Assembly for establishment of a partnership, commercial enterprise and foundation or participation into the ones already established or to be established;
8. Prepare drafts for amendment to the bylaw of the Confederation, enactment of and amendment to the regulations;

9. Decide on the proposals and wishes of the High Advisory Board;
10. Take and enforce all the necessary decisions on the issues outside the scope of authority of the General Assembly, including but without limitation to the above, as per the law and provisions of the bylaw.

B. Organization of the Board of Directors

The Board of Directors, the authorized executive body of the Confederation, shall be elected by the General Assembly among from the delegates representing the federations that are members of the Confederation for an office term of three years, and consist of 51 full and 51 substitute members. In case of equal votes, the vote of the chairperson shall be considered two votes. The majority of the members of Board of Directors may not be representatives of the same member federation.

If the representative capacity of a representative of the member federation elected as the member of Board of Directors is canceled for any reason whatsoever, his/her membership of Board of Directors of the Confederation shall automatically expire. In such case, the substitute member of board of directors elected to represent the same federation, or if it is not possible, a representative newly elected by the federation shall continue to serve on behalf of such legal entity in the capacity of direct member of board of directors. If the number of the members of the Board of Directors become less than half of the necessary number of members even after using the substitute members, the General Assembly shall be called for a meeting by the existing members of the Board of Directors or the Board of Auditors within one month. In case of failure to make call, upon application by one federation, the magistrate shall appoint three delegates to convene the General Assembly.

C. Meeting Method of the Board of Directors

1. The office term of the Chairperson is three years. The same person may be elected as the chairperson for maximum two consecutive periods.
2. During the first meeting to be held after meeting of the General Assembly, the Board of Directors shall elect one chairperson, fourteen vice chairpersons and one clerk among from its members.
3. The Board of Directors shall convene at a minimum twice a month. Membership of any member of Board of Directors who fails to attend three consecutive meetings without a just excuse, or one more than half of the meetings held in a year even with excuse, shall automatically expire. In such case, the next substitute member shall become permanent member.
4. The meeting quorum of the Board of Directors is one more than half of the total number of members, while the decision quorum is the absolute majority of the attending members.
5. The Board of Directors shall convene at the date and with an agenda determined by the Chairperson of Board of Directors of the Confederation, and take actions.

Article 12 : TURKISH ENTERPRISE AND BUSINESS COUNCIL

Turkish Enterprise and Business Council is held by participation of the chairpersons and members of all the regional and industry-specific enterprise and business associations that constitute the basis of the Confederation. Turkish Enterprise and Business Council convenes in different cities annually. When deemed necessary, the Council meeting may be held under the main events of TURKONFED. The Council is a meeting where the members of the Confederation discuss an issue or all the activities in every detail and announce it to the public. The opinions expressed constitute a recommendation to the Board of Directors of the Confederation. The Chairperson of the Board of Directors manages the meetings.

Article 13 : HIGH ADVISORY BOARD

A. Duties and Authorities of the High Advisory Board

The High Advisory Board follows and evaluates execution of the activities of the Confederation in line with the bylaw and objective of the Confederation. It expresses opinions and suggestions to shed light on the future activities of the Confederation. Its decisions constitute a recommendation to the Board of Directors.

The Chairperson of High Advisory Board shall be elected, through open ballot, by the General Assembly from among the former chairpeople of the board of directors for an office term of 3 years. The High Advisory Board shall convene at a minimum twice a year. The meeting agenda shall be determined by the chairperson of High Advisory Board based on the suggestions of the members.

B. Organization of the High Advisory Board

The High Advisory Board of the Confederation shall consist of the following members:

- Former chairpeople of the board of directors,
- Founding members of the Board of Directors,
- The current chairperson of the Board of Directors,

- Chairpeople of the associations that are members of at least half of the member federations of the Confederation,
- At least 5 persons other than the existing members of the board of directors as deemed proper by the Chairperson of the High Advisory Board,
- Three persons elected from among the existing and former advisors and/or general secretaries, who will be appointed by the chairperson of the board to serve for one period.

Article 14 : EXECUTIVE BOARD

The Executive Board consists of the Chairperson of the Board of Directors, Vice Chairmen, the Bookkeeper member and the General Secretary. It issues and discusses the agenda of the meetings of the Board of Directors; administers and manages work in line with the decisions rendered and within scope of authorities granted by the Board of Directors. It reports to the Board of Directors.

Article 15 : BOARD OF AUDITORS

The internal auditing duty shall be performed through the Board of Auditors in the Confederation. The provisions on the organization and operating method of the Board of Auditors are presented below:

1. The Board of Auditors shall be elected by the General Assembly to serve for three years. It consists of three full and three substitute members.
2. In the first meeting after election, the Board of Auditors elects a chairperson among from its members.
3. The Board of Auditors shall convene at least biyearly. The quorum for meeting and decision is two.
4. The results of audit performed by the Board of Auditors related to the activities and accounting transactions of the Confederation in terms of conformity to laws shall be submitted to the Board of Directors and, when it convenes, to the General Assembly, in reports.
5. The Board of Auditors calls the general assembly for a meeting when deemed necessary.

Article 16 : HIGH BOARD OF DISCIPLINE

The High Board of Discipline consists of three members elected by the General Assembly for an office term of three years. In its first meeting, the Board elects a chairperson from among its members. The High Board of Discipline convenes upon request of any one member of the Board of Directors or the Board of Auditors, and investigates the issues requested to be audited, especially the issues on acting of the member federations and their representatives in line with the objectives, bylaw and regulations of the Confederation, and submits its proposal to the Board of Directors in writing.

Article 17 : GENERAL SECRETARIAT

The activities of the Confederation shall be enforced by the General Secretariat based on the principles set forth in the applicable laws and the bylaw and in line with the decisions of the authorized bodies. The operating method, employment conditions, duties and authorities of the General Secretariat shall be determined by the Board of Directors under internal regulations. The General Secretary is a natural member of the Board of Directors. Although s/he has no voting right, s/he is obliged to attend the meetings of the Board of Directors.

Article 18 : COMMITTEES AND WORKING GROUPS

When it deems necessary, the Board of Directors may establish committees and working groups to resolve any problems in the fields of activity of the Confederation, spread the practices, ensure effective and productive operations for achievement of the objectives of the Confederation. These voluntary bodies established may be discharged again by decision of the Board of Directors. The duties, authorities and responsibilities of the General Assembly and the Board of Auditors may not be transferred to these committees and specialization groups to be established by the Board of Directors. The duties of such bodies established shall be determined by the internal regulations to be enacted by the Board of Directors.

Article 19 : INCOME OF THE CONFEDERATION TO BE GAINED FROM REGIONAL AND INDUSTRY-SPECIFIC FEDERATIONS

The Confederation operates under a different admission fee and annual membership fee system due to the differences in the membership structures of the associations that are members of the regional and industry-specific federations. The Board of Directors of the Confederation is authorized to change such amounts when it deems necessary.

A. Admission Fee and Annual Membership Fee

The Board of Directors is authorized to determine the admission fee and annual membership fee.

B. Contributions

It refers to the additional income to be needed by the Confederation to perform its duties effectively in line with its objectives and fulfill its obligations against the superior organizations. The amounts of contributions and the payment method shall be governed by regulation.

C. Other Income

It consists of the income obtained as a result of the activities of the Confederation or from its property as well as any donation and aid, income to be obtained from partnerships, commercial enterprises or locally, and other income.

Article 20 : BUDGET

The budgetary period of the Confederation shall commence on January 1 and end on December 31. The budget of the Confederation shall be at an amount adequate for its operating effectively in line with its objectives and making the necessary contribution to the Confederation. In this regard, the amount of membership fee may be changed by the Board of Directors by vote of 2/3 majority of the members upon proposal of the Board of Directors in line with the current conditions and according to the need.

Article 21 : BOOKS AND RECORDS

The Confederation keeps its books in compliance with the balance sheet account principle. The books shall be kept separately for any commercial enterprise according to the provisions of the Tax Procedure Law.

The books and records of the Confederation shall be kept in accordance with the procedures and principles specified in the Regulation on Associations. The books required to be kept in the Confederation (except for the Grand Ledger) shall be certified by the provincial associations directorate or a notary public, prior to use. These books shall continue to be used until their blank pages end, and no interim approval of these books is made. However, the Journal Book must be certified anew each year, during the last month preceding the year in which it will be used.

Article 22 : PROCEDURE FOR INCOME AND EXPENSES

Proofs of Receipt: The income of the Confederation shall be collected with proofs of receipt and the expenses shall be made with proofs of expenditure. In the cases where the income of the Confederation is collected through banks, documents such as vouchers or account statements issued by banks shall be considered as the proof of receipt. The proofs of receipt to be used during collection of the income of the Confederation shall be printed based on the decision of the Board of Directors. The relevant provisions of the Regulation on Associations shall apply to those issues concerning the printing and checking of the proofs of receipt, their receipt from the printing house, their registration in the book, their hand-over from the former bookkeepers to the new bookkeepers, the use of these proofs of receipt by person(s) in charge of collecting income on behalf of the Confederation by using these proofs of receipt, and delivery of the collected income.

Certificate of Authority: Except for the permanent members of the Board of Directors, the individual(s) who will collect the income of the Confederation and the individual(s) to collect income on behalf of the Confederation as well as the duration of their authority in this regard shall be determined by a resolution of the Board of Directors. "Authority Certificate" including the open identities, signatures and photos of the individuals authorized to collect the income shall be arranged by the Confederation in two copies, and shall be approved by the Chairperson of the Board of Directors of the Confederation. Permanent members of the Board of Directors may collect income without an authority certificate.

The Board of Directors shall determine the term of the authority certificates, to be no longer than one year. Expired authority certificates shall be renewed in accordance with the first paragraph. The return of the issued authority certificate to the Board of Directors of the Confederation within one week is mandatory in the case of expiry of the authority certificate, or the resignation, death or dismissal of the individual in whose name the authority certificate was issued. Also, the authority to collect income may be canceled by a resolution of the Board of Directors at any time.

Expenditure Documents: The Confederation's expenses are made with expenditure documents such as invoices, retail sales slip, and self-employment receipts. However, an expense voucher pursuant to the provisions of the Tax Procedure Law for the payments of the Confederation under article 94 of the Income Tax Law, and documents such as "Expense Receipts" or "Bank Receipts" for payments not under this scope, shall be used as expenditure documents.

The delivery of free goods and services to any person, institution or organization by the Confederation shall be carried out with "Delivery Certificate for Aid in Kind". The delivery of free goods and services to the Confederation by any person, institution or organization shall be carried out with "Proof of Receipt for Donations in Kind".

Except for the books; the proofs of receipts, expenditure certificates and other documents used by the Confederation

shall be kept for a period of 5 years in the order of their numbers and dates in the books they are recorded in, on the condition that the periods prescribed in special laws are reserved.

Declaration: The "Confederation Declaration" related to the year-end results of the activities and income and expense transactions of the Confederation pertaining to the previous year shall be approved by the board of directors of the Confederation, and submitted to the highest local authority of the place within four months of each calendar year by the chairperson of the Confederation.

Article 23 : INTERNAL AUDIT OF THE CONFEDERATION

The internal audit may be conducted by the General Assembly, Board of Directors or Board of Auditors, or independent audit firms may be appointed to perform an audit. Performance of the audit by the General Assembly, Board of Directors or independent audit firms does not release the Board of Auditors from its obligation.

The Board of Directors shall perform an audit in the confederation at least once a year. The General Assembly or the Board of Directors may conduct audits where deemed necessary, or they may have audits conducted by independent audit firms.

Article 24 : BORROWING METHODS OF THE CONFEDERATION

The Confederation may realize borrowing in case it is deemed necessary to achieve its objectives and carry out its activities upon the decision of the Board of Directors. This borrowing may be by way of receiving goods and services on credit, as well as borrowing cash. However, the borrowing shall not be in an amount that cannot be re-paid by using the source of income of the Confederation and shall not be of a nature that will cause insolvency of the Confederation.

Article 25 : AMENDMENT TO THE BYLAW

The General Assembly is authorized to decide on amendment to the bylaw. 2/3rd majority of the delegates entitled to attend and vote at the General Assembly shall be required to amend the Bylaw at the General Assembly. If the meeting is postponed due to failure to satisfy the quorum requirements, the quorum shall not be sought for the second meeting. However, the number of delegates attending this meeting shall not be less than two times the total number of the members of the Board of Directors and the Board of Auditors.

The decision quorum required for amending the bylaw is 2/3rds of the votes of the members or delegates who attend the meeting and are entitled to vote.

Article 26 : ISSUES THAT MUST BE REPORTED TO THE ADMINISTRATION

Notification of General Assembly Outcome: Within thirty days following the election made by the General Assembly, the permanent and substitute delegates elected to serve in the Board of Directors and Board of Auditors as well as other bodies of the Confederation by the Chairperson of Board of Directors shall be notified to the highest local authority of the place where the registered office of the Confederation is located through the "Notification of General Assembly Outcome". In case any amendment to the bylaw is made at the General Assembly meeting, minutes of the General Assembly meeting, the former and amended form of the amended articles of the bylaw, final form of the bylaw of the Confederation, each page of which is signed by absolute majority of the Board Members, shall be submitted to the local authority within the period specified in this paragraph, enclosed with a letter.

Notification regarding Immovable Properties: The immovable properties acquired by the Confederation shall be notified to the local authority by fulfilling the "Notification of Immovable Property" obligation within thirty days as from their registration with the land registry.

Notification of Foreign donations: If the Confederation will get foreign donations, it shall fill in the "Notification of Foreign Donation" before getting the aid and then files notification to the local authority. Aid in cash must be received through banks and the notification condition must be fulfilled prior to its use.

Notification of Changes: Any change in the residence of the Confederation shall be notified to the local authority by fulfilling the "Notification of Change of Residence Address" obligation; and changes in the bodies of the Confederation which take place outside of the General Assembly meetings shall be notified to the local authority by fulfilling the "Notification of Change in Confederation's Bodies" obligation within thirty days following the change.

Article 27 : CANCELLATION OF GENERAL ASSEMBLY RESOLUTIONS

Any delegate who is present in the General Assembly meeting and does not vote during the meeting because the decision contradicts the applicable law or the bylaw shall have one month beginning from the date when the decision is made, and any delegate who is not present in the meeting when the decision is made shall have one month after the date when it finds out about the decision, and under any circumstances, the delegates shall have three months to apply to a court to request cancellation of the decision. No cancellation cases shall be filed against the decisions made by other bodies of the Confederation, unless all the internal audit methods of the Confederation are used. Situations in which the decisions of the General Assembly are considered to be absolutely null or invalid are reserved.

Article 28 : TERMINATION OF THE CONFEDERATION

The General Assembly shall decide on termination of the Confederation. In order to take a decision of termination, at least two third of the delegates of the Confederation shall be present in the meeting. Unless the two third majority is not present in the first meeting, the majority is not sought in the second meeting. However, the number of members attending this meeting shall not be less than two times the number of the members of the board of directors and the board of auditors. The decisions for termination must be taken by the majority votes of two thirds of the members or delegates attending the meeting. In case of termination of the Confederation, the liquidation procedures shall be performed by the Board of Liquidation consisting of three persons elected by the General Assembly. The assets of the Confederation shall be divided equally among the member federation which were members for at least five consecutive years.

Article 29 : LACK OF PROVISION

The provisions of the Turkish Civil code and the Law on Associations as well as the Regulation on Associations which has been issued with reference to these laws, and other relevant legislation, which concerns associations, shall apply to any issues not regulated in this Bylaw that may arise during enforcement of this bylaw.

**BOARD OF DIRECTORS OF
TURKONFED
June 25, 2021**